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1995 ASSEMBLY BILL 981

March 6, 1996 – Introduced by Representatives Green, Lehman, Brandemuehl, Freese, Otte, Hutchison, Springer, Silbaugh, Vrakas, Musser, Goetsch, Hasenohrl, Lazich, Ainsworth, F. Lasee, Duff, Ott and Grothman, cosponsored by Senators Huelsman, Drzewiecki and Grobschmidt. Referred to Committee on Judiciary.

- AN ACT to repeal and recreate 895.49 of the statutes; relating to: voiding cer-
- 2 tain provisions of construction contracts.

Analysis by the Legislative Reference Bureau

Under current law, construction contracts are void if they contain a provision that limits or eliminates tort liability, although exceptions are made for insurance contracts and worker's compensation plans that are purchased by the person whose liability is limited or eliminated. Under this bill, provisions of construction contracts are void if the provisions limit or eliminate tort liability, require a person to purchase an insurance contract that names another person as the insured or to amend an insurance contract to name another person as an insured, or require a person to indemnify another person, or to hold harmless another person, in regard to liability for damage that the person so required does not cause. The exception for insurance contracts and worker's compensation plans remains in effect.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

- **SECTION 1.** 895.49 of the statutes is repealed and recreated to read:
- 895.49 Voiding of certain provisions of construction contracts. (1) A provision of a contract, covenant or agreement relating to the construction, alteration, repair or maintenance of a building or other structure or to other work related to construction, including any moving, demolition or excavation, is void if the provision does any of the following:

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- (b) Requires a person to purchase an insurance contract that names another person as an insured or requires a person to amend an insurance contract to name another person as an insured.
- (c) Requires a person to indemnify another person, or hold harmless another person, in regard to liability for damage that the person so required does not cause.
- (2) Subsection (1) does not apply to any insurance contract or worker's compensation plan that is purchased by the person whose liability is limited or eliminated by the contract or plan.

SECTION 2. Initial applicability.

(1) This act first applies to contracts, covenants and agreements entered into on the effective date of this subsection.

13 (END)